

## Message Text

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ACTION EB-11

INFO OCT-01 AF-10 ISO-00 AID-20 CIAE-00 COME-00 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 L-03 NSC-10 SS-20 STR-08

CEA-02 SAB-01 DRC-01 DOTE-00 /132 W

----- 011867

R 151055Z DEC 73

FM AMEMBASSY KHARTOUM

TO SECSTATE WASHDC 7501

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E.17;. 11652: N/A

TAGS5/ BEXP, SU

SUBJ: GE WINS LOCOMOTIVE CONTRACT SUBJECT EXIM FINANCING

REF: STATE 239276

1. SUMMARY. TRANSPORT MINISTER TOLD AMB DEC 15 GOS  
HAD AWARDED GE RPT GE CONTRACT FOR 40 LOCOMOTIVES  
SUBJECT FINANCING. STRESSING HIS INTEREST IN  
STANDARDIZATION, MINISTER BESPOKE FAVORABLE ACTION BY  
EXIM IN ORDER ASSURE FURTHER DEVELOPMENT KEY RAILROAD

SECTOR PROGRESSIVELY ORIENTED TOWARD HIGH PERFORMANCE  
AMERICAN EQUIPMENT. END SUMMARY.

2. TRANSPORT MINISTER BASHIR ABBADI SUMMONED AMB  
DEC 15 TO DISCUSS GOS LOCOMOTIVE PROJECT. HE SAID  
TENDERS FROM ELEVEN FIRMS HAD BEEN REVIEWED AND GE  
RPT GE FOUND TO HAVE BEST OFFER. CABLE HAD ACCORDINGLY  
BEEN SENT GE ACCEPTING BID IN PRINCIPLE AND GIVING FIRM  
UNTIL MID-JANUARY TO ARRANGE FINANCING.

3. RECALLING HIS DISCUSSION WITH ASST SECY NEWSOM  
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ON EXIM MATTERS EARLY NOVEMBER, ABBADI SAID SUDAN

HAD TRIED RE-ASSESS ITS RAILROAD ROLLING STOCK REQUIREMENTS AND WAS CONVINCED 40 LOCOMOTIVES ESSENTIAL TO IMPROVE VOLUME FREIGHT HANDLING. AT MOMENT, RAILROAD STILL MOVING 1973 COTTON CROP, THOUGH '74 CROP WOULD BECOME AVAILABLE END JANUARY. MEANWHILE, HOWEVER, 800 LOADED FREIGHT CAR GARE REGULARLY AVAILABLE PORT SUDAN AWAITING MOTIVE POWER. MAXIMUM USE AVAIL-ABLE FREIGHT CARS THUS HAS NOT BEEN POSSIBLE. IN RESPONSE AMB'S QUESTION, ABBADI SAID THAT BUSIEST PART LINE (HAYA-PORT SUDAN) ONLY 50 PERCENT USE AND THUS ADDITIONAL LOCOMOTIVES COULD BE READILY EMPLOYED. MOREOVER, ADDITIONAL INTERMEDIAT TURN-OUT STATIONS ESTABLISHED LAST FEW YEARS AND BETTER SIGNALING EQUIPMENT NOW BEING FINANCED IDA LOAN. AUSTRALIAN WORLD BANK TECHNICIANS HAVE BEEN ON GROUND SOME MONTHS AND THEIR EFFORTS ALREADY REKBECTED IN IMPROVED RAILROAD EFFICIENCY. ABBADI ESTIMATED LINE WOULD HANDLE SOME 7 PERCENT MORE FREIGHT IN '73 THAN '72 BUT NOTED DEMAND RISING AT FASTER RATE.

4. AMB SAID HE WOULD IMMEDIATELY REPORT ABBADI'S APPROACH TO WASHINGTON. WE HAD UNDERSTOOD, HOWEVER, THAT EXIM WOULD BE MAKING DECISION ON PRELIMINARY COMMITMENT FOR LOCOMOTIVES DURING WEEK JUST ENDED (REFTEL; SO THAT DECISION MIGHT ALREADY HAVE BEEN REACHED OF WHICH WE UNAWARE. ABBADI SAID HE WISHED FAVORABLE ACTION NOT ONLY BECAUSE OF IMMEDIATE NEEDS RAILWAY BUT ALOS TO PERMIT SUDAN TAKE ADVANTAGE OF BEST OFFER. AMB NOTED 40 LOCOMOTIVES WOULD OBVIOUSLY INVOLVE MORE SUBSTANTIAL ELEMENTS FINANCING THAN, FOR EXAMPLE, 25. ABBADI RESPONDED GOS FIRM REQUIREMENT WAS FOR ALL 40 LOCOMOTIVES. IN ANY CASE, LOW BID PRICE HAD BEEN BASED THAT QUANTITY, SINCE SEPARATE PRODUCTION LINE WOULD BE REQUIRED.

5. COMMENT: WHILE THERE OBVIOUSLY NUMBER OF FACTORS INVOLVED THIS TRANSACTION, AS SEEN FROM HERE EXIM FINANCING WOULD BE HIGHLY DESIRABLE IN ORDER: (A) ASSURE THIS CONTRACT TO AMERICAN FIRM; (B) DEVELOP LONG-TERM MARKET POTENTIAL IN LIGHT GOS INTEREST IN STANDARDIZATION LIMITED OFFICIAL USE

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ROLLING STOCK; (C) PROVIDE ASSISTANCE AT NERVE CENTER SUDAN'S ECONOMY WHICH LIKELY HAVE SUBSTANTIAL SECONDARY BENEFITS FOR DEVELOPMENT; AND (D) FURTHER STRENGTHEN SUDAN/USG TIES AT IMPORTANT JUNCTURE IN OUR RELATIONS WITH ARAB STATES. I ACCORDINGLY RECOMMEND FAVORABLE CONSIDERATION GE LOAN BY EXIM.  
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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ROLLING STOCK, BANK LOANS, PROPOSALS (BID), RAILROADS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 DEC 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973KHARTO02738  
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**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** KHARTOUM  
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**Secure:** OPEN  
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**TAGS:** EFIN, BEXP, SU, GENERAL ELECTRIC, XMB  
**To:** STATE  
**Type:** TE  
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